IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI (Jackson Division)

| UNITED STATES OF AMERICA, |) |
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| and the STATE OF MISSISSIPPI, |) |
| Plaintiffs, |) |
| |) Case No. 3:12-cv-790 TSL-MTP |
| V. |) |
| |) <u>JOINT STATUS REPORT</u> UPDATE |
| THE CITY OF JACKSON, MISSISSIPPI, |) <u>STBITE</u>) |
| Defendant. |)) |

Plaintiffs, the United States of America, on behalf of the U.S. Environmental Protection Agency ("EPA"), and the State of Mississippi, by and through the Mississippi Commission of Environmental Quality, acting through the Mississippi Department of Environmental Quality (collectively, "MDEQ"); and Defendant, the City of Jackson, Mississippi (the "City" or "Jackson)"; and together with Plaintiffs, (the "Parties"), submit this Joint Status Report Update to update the Court of the activities amongst the Parties since the date of the last Joint Status Report on August 8, 2021.

Docket No. 12.

2012 Clean Water Act Consent Decree

Since the date of the Joint Status Report, the Parties, including counsel and technical staff, have had numerous discussions, including at least monthly telephonic status conferences, and Jackson has continued its weekly submission to EPA and MDEQ

of a statistical analysis of the City's compliance and the performance of its Wastewater Collection Treatment System and Wastewater Treatment Plants. Since the Joint Status report was filed, the West Rankin Utility Authority ("WRUA"), a long-term customer of the City, began operating its own wastewater treatment plant. WRUA is no longer sending its wastewater to Jackson for treatment, and Jackson is no longer receiving payments from WRUA to treat its wastewater.

In connection with the Parties' efforts to get the City back into compliance with the Consent Decree, the City will provide certain documents to the United States and MDEQ. The City will provide a proposed amendment to the Consent Decree by November 1, 2021. The City will submit an updated Long Term Financial Model and an updated AMI Remediation, Revenue Stabilization, and SORP Implementation Plan ("Revenue Stabilization Plan") no later than November 15, 2021.

Safe Drinking Water Act Compliance Issues

EPA and the City entered into an Administrative Compliance Order on Consent (AOC), Docket No. SDWA-04-2020-2301, effective July 1, 2021, to address the outstanding Safe Drinking Water Act ("SDWA") concerns identified by EPA. While SDWA compliance is not within the scope of the Consent Decree or before the Court at this time, the Parties inform the Court of the issue because the City represents that the condition of the public water system ("PWS") is relevant to its financial condition. The United States notes that the City missed several initial milestones under the AOC but that after discussion and clarification of technical obstacles, the City recently requested extensions of time to comply with the milestones. The EPA is presently considering

these extension requests. The EPA and the City continue to meet bi-weekly to ensure ongoing substantial compliance with the AOC.

Discussions Regarding Possible Modification to Consent Decree

As noted above, the City will provide EPA and MDEQ with its proposed language to modify the current Consent Decree. The City's proposed modifications to the Consent Decree are anticipated to provide a program that allows the City to address the current state of the City's Wastewater Collection and Transmission System and Wastewater Treatment Plants and the City's limited progress to date under the Consent Decree, while taking into consideration the City's longstanding and unanticipated financial difficulties as represented by the City. In addition, the City will provide an updated Long Term Financial Model to EPA and MDEQ. The Long Term Financial Model provides a tool for EPA and MDEQ to assess the City's financial condition, including the City's current and future capability to fund the proposed injunctive relief under the modified Consent Decree. The Long Term Financial Model specifically will consider the financial capability of the citizens of the City of Jackson to pay for increased costs of service and the City's current and future ability to obtain loan and bond financing to support implementation of the Consent Decree. The updated Revenue Stabilization Plan will provide current information regarding the status of the City's efforts to restore its metering and billing system. EPA and MDEQ, with the assistance of counsel, will evaluate the proposed language implementing the requested modifications to the Consent Decree. The review of the items to be provided by the City will take some time, therefore, the parties respectfully propose that they provide the Court with another Joint

Status Report Update by February 28, 2022. The Plaintiffs also reserve the right to request a Status Conference with the Court before that date, especially if the City fails to provide the promised documents by November 1, 2021 and/or November 15, 2021.

Respectfully submitted this 29th day of October 2021.

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